

## **NEW PRODUCT ADVISORY No. 03-006**

### **A DENTAL PLAN'S NEW GROUP SUBSCRIBER CONTRACT**

**ACTION:** Review Concluded August 13, 2003

Amendment proposing implementation of New Group Subscriber Contract.

Filing Nos. 20036314; 20036665; and 20036899  
Filed July 8, 2003; July 29, 2003; and August 13, 2003

### **SUMMARY**

A particular Dental Plan resolved compliance concerns regarding the provision of full and fair disclosure in a clear, organized format providing ready reference for laypersons with no special knowledge of dental insurance, dental plans or dentistry with respect to: the terms and conditions of coverage; the description of covered dental services; limitations; exclusions; premiums; and co-payments by:

- Revising the group subscriber contract to include:
  - All of the headings, information and other elements of disclosure required by Rule 1300.67.4
  - Clear provisions regarding cancellation for non-payment of premiums consistent with Section 1365 and Rule 1300.65
- Revising the combined evidence of coverage and disclosure form (“EOC/DF”) to include:
  - A table of contents
  - All of the headings, information and other elements of disclosure required by Section 1363 and Rule 1300.63.2
  - A comprehensive listing of categories of covered dental services (e.g., diagnostic, preventive, restorative, endodontic, prosthodontic, periodontic, etc.) under relevant subheadings consistent with the American Dental Association’s manual of Current Dental Terminology, 4th Edition (“ADA CDT 4”)
  - A disclosure of all limitations and exclusions applicable to each category of service
  - Clear provisions regarding cancellation for non-payment of premiums consistent with Section 1365 and Rule 1300.65

The particular Dental Plan resolved compliance concerns regarding fair and reasonable contract terms and ensured that no limitations or exclusions would render a covered service illusory by:

- Eliminating exclusions and limitations in the subscriber contract and EOC/DF that could operate to exclude otherwise covered services necessary for the dental health of an enrollee consistent with professionally recognized standards of dental practice.

The particular Dental Plan established acceptance of full financial risk for this product by filing information confirming that the co-payment for each covered dental service does not exceed 50% of the cost to the Plan.

Based on the particular Dental Plan's proposal for implementation of a group subscriber contract, the Plan was permitted to implement the proposed product, subject to any future review and revision that may be necessary.

#### **BASIS OF ACTION**

Sections 1363, 1365, 1367(h) and 1375.1(a)(2); Rules 1300.63.2, 1300.65 and 1300.67.4